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**Ex Parte**

OCT 22 2015

Federal Communications Commission  
Office of the Secretary

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: *Petition of USTelecom for Forbearance Under 47 U.S.C. § 160(c) from Obsolete ILEC Regulatory Obligations that Inhibit Deployment of Next-Generation Networks, WC Docket No. 14-192***

Dear Ms. Dortch:

On October 20, Curtis Groves, Fred Moacdieh, and I, all of Verizon, met with Randy Clarke, Daniel Kahn, Madeleine Findley, Megan Capasso, Brian Hurley, Jodie May Donovan and Alex Johns (by phone), all of the Wireline Competition Bureau, to discuss USTelecom's petition for forbearance from the outdated requirement that ILECs provide an unbundled 64 kbps voice-grade channel where the ILEC has replaced a copper loop with fiber and retired the copper loop. That requirement today has outlived any usefulness.

Customer demand for legacy wireline voice service has dropped precipitously. From 2003 to 2013, ILEC retail switched access lines declined by almost 60%.<sup>1</sup> Similarly, demand for unbundled analog voice loops from Verizon – which the 64kbps on fiber channel replaces – has declined by 65 percent. Verizon currently sells only approximately **BEGIN CONFIDENTIAL** **END CONFIDENTIAL** unbundled voice-grade loops across all of our wire centers (including those served

<sup>1</sup> See Industry Analysis and Technology Division, FCC, *Local Telephone Competition: Status as of December 31, 2013*, at Table 5 (Oct. 2014), [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-329975A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DOC-329975A1.pdf); see also Industry Analysis and Technology Division, FCC, *Local Telephone Competition: Status as of December 31, 2008*, at Table 4 (June 2010), [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-299052A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DOC-299052A1.pdf).

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by copper), representing a small and declining percentage of the voice lines that we sell.

Although demand for narrowband voice-grade service continues to decline, the costs of unbundling a 64kbps voice-grade channel over fiber are so high that they threaten to impede ILECs from retiring copper. Verizon already has begun retiring copper in selected wire centers and has plans to continue retiring copper where we have deployed fiber. But the price of just the physical equipment in the central office Verizon would use today to retrofit the network of the future to accommodate yesterday's 64 kbps technology on average is approximately **BEGIN CONFIDENTIAL** **END CONFIDENTIAL** per wire center. That figure does not reflect related costs, including the cost to install and provision the equipment. It does not include the cost of equipment that may be needed in the outside plant. And this assumes Verizon can acquire the physical equipment. One vendor has discontinued the equipment needed to enable the unbundling, and while at least one other vendor continues to manufacture the equipment, in the face of declining demand for narrowband services, there's no guarantee that equipment will be available in the future.

Meanwhile, the small subset of customers who still purchase voice-grade-only service can continue to obtain that service from other providers or CLECs. That will not change if the Commission forbears from the 64 kbps unbundling requirement. CLECs that today purchase unbundled voice-grade loops also could continue to serve end-user customers through commercial platform services like Verizon's Wholesale Advantage or through resale.

Sincerely,



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